

291267

Latimer, Becky

From: Latimer, Becky
Sent: Wednesday, April 1, 2020 4:00 PM
To: _____
Subject: 2019-281-S

Dear Will Davis,

This is to acknowledge receipt of your Letter of Protest/Comments to the Public Service Commission of South Carolina. Your Letter of Protest/Comments will be placed in the Protest File of the Docket listed below and on the Commission's Website at www.psc.sc.gov.

- Docket No. 2019-281-S - Application of Palmetto Utilities, Incorporated for Adjustment (Increase) of Rates and Charges, Terms and Conditions, for Sewer Service Provided to Customers in Its Richland and Kershaw County Service Areas

A Protestant is an individual objecting on the ground of private or public interest to the approval of an Application, Petition, Motion or other matters which the Commission may have under consideration. A Protestant may offer sworn testimony but cannot cross-examine witnesses offered by other parties.

According to the Commission's Rules of Practice and Procedure, filing a Protest does not make you a Party of Record. A Protestant desiring to become an Intervenor (i.e., a Party of Record) in a proceeding before the Commission may file a Petition for Intervention within the time prescribed by the Commission.

You can follow this Docket and other daily filings made at the Commission by subscribing to the Commission's Email Subscriptions at this link: <https://dms.psc.sc.gov/Web/Email>; or you can follow the individual Docket at the link listed below:

Docket No. 2019-281-S - Application of Palmetto Utilities, Incorporated for Adjustment (Increase) of Rates and Charges, Terms and Conditions, for Sewer Service Provided to Customers in Its Richland and Kershaw County Service Areas <https://dms.psc.sc.gov/Web/Dockets/Detail/117238>

If we may be of further assistance to you, please do not hesitate to contact us.

Sincerely,
 Becky Latimer

Public Service Commission of South Carolina

Rebecca G. Latimer (Becky)
 Administration Coordinator/Clerks Office
 101 Executive Center Dr. Suite 100
 Columbia, SC 29210
"It's a great day in South Carolina"

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Save as PDF file and Email form
to: contact@psc.sc.gov

* Required Fields

Letter of Protest
Docket No. 2019-281-S

Date: * 3/31/2020

Protestant Information:

Name * Will Davis FCAS MAAA

Mailing Address *

City, State Zip * Columbia, SC

Phone *

E-mail

1. What is your connection or interest in this case? * For example, are you a customer of the Company that is the subject of this pending proceeding? (This section must be completed. Attach additional information if necessary.)

I am a customer whose sewer rates will increase if Palmetto Utilities is granted their rate increase. I am also a Fellow of the Casualty Actuarial Society with 25 years of experience in the pricing of insurance products in a regulated environment. I only represent myself, not my employer or any professional society.

2. Please give a concise statement of your protest. * (This section must be completed. Attach additional information if necessary.)

Giving rate increases based upon target Returns On Investment (ROI) is flawed. It's a monopoly, no competitors, so rates should be based upon expected costs of the regulated entity, like car insurance. In SC, '09-'18, car insurers earned 2.2% ROI in SC, per NAIC Report on Profitability by State. While yearly premiums grew 75% over this time, Net Worth increased by 90%. Car insurers were able to attract capital in a highly competitive market with fairly thin margins. Had auto insurers gained the 15% originally requested by Palmetto, they would have extracted another \$2.8B of premium from SC drivers. Palmetto's residential rates should be a fixed cost (amortized equipment, rent, wages, etc), a usage cost based on water (as it used to be), and a MODEST profit load, explicitly stated. Until Palmetto provides a cost-based argument, freeze their rates, or even roll them back 10% until a cost evaluation can be carried out by a cost expert that YOU hire to represent us.

3. Do you wish to make an appearance at a hearing in this proceeding, if scheduled, and offer sworn testimony? *

Did so on a call, but happy to do so again. Meantime, this commission should examine Palmetto's costs and hire an expert to evaluate what an appropriate rate structure should be. A quick survey of friends tells me that rates vary wildly: \$27/month in 29223, \$43/mo in 29210, \$56/mo in 29229. Nonsense! Water treatment is the bulk of their work, can its cost vary that much? We can't shop. We are forced to pay or have liens placed on our property and enforced by a government with guns. Hold the line for us!

Signature Required:

Will Davis